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Realty Trust Review

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BI-MONTHLY RELATIVE APPEAL RANKINGS & ADVISORY

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RELATIVE APPEAL RANKINGS EXPAND TO SERVE YOUR INVESTMENT NEEDS

Right now you see this is a dramatically larger issue of RELATIVE APPEAL RANKINGS than you've ever received before -- 16 pages or double the regular size.

But size is only one part of the top-to-bottom revamping you'll find inside. Over the past weeks we've been talking to many subscribers and this issue is the outgrowth of many suggestions to make the service easier to use. Inside you'll find these major improvements to RELATIVE APPEAL RANKINGS:

--Vital statistics are added so this issue is self-contained for reference. Every trust review now contains book value, recent price, dollar amount of debt and shareholders' equity, number of shares out, and many other facts previously found only in our monthly statistical issue.

The reason: Many of you found it awkward to have to flip back and forth between the two issues. No need to do it anymore.

--Important intangible items are added for the first time. Many said you wanted a look at the loss reserve, or the taxloss, or the accumulated depreciation for trusts. Thus we present for the first time each of these three items, on a per-share basis,

for each trust. If one of the three is omitted for a trust, it means it isn't material and less than \$1/share.

But intangibles are tricky and you shouldn't rely upon them to bail you out of a bad stock. Examples:

Depreciation is commonly added back to book value for property trusts but some trusts do in fact lose money on property. First Fidelity, for instance, lost 78¢/sh. on abandonment of an office building in its latest quarter (page 7).

Loss reserves generally wind up being used to absorb capital or operating losses. But some trusts have recaptured some reserves via swaps; We've tried to judge this potential in our RANKING but you now have this number for your own use.

Taxloss per share is the amount of net operating losses (NOL) available to offset future net income. It could be valuable in a merger or acquisition. But with the corporate tax rate going to 46%, the taxloss really is worth only 46% of the dollar amount shown and as a rule of thumb is more likely worth only 10% to 25% of amounts.

--Share comment sections are expanded. We're trying to tell more about how we see a stock. In special situations--e.g. Citizens Mtg. and Chase Man. we open-end style.

--Larger print and two-column format is adopted to improve readability.

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FEW RANKING CHANGES EVEN AS PRIME RATE PIERCES THE 10% POLITICAL SOUND BARRIER

Last month we outlined a strategy for positioning yourself in stocks with sound recovery prospects and little vulnerability to rising interest rates. The prime rate has since hit 10% and some economists are now seeing a credit crunch sometime next spring.

In that environment we want to hold positions that can be averaged down, if necessary, during any crunch. Frankly we don't see one coming but international money markets are so spooked by U.S. inflation that anything could happen.

Thus our No. 1 rankings go to trusts with little short-term debt or with floating rate assets matched fairly closely with floating liabilities. See RTR Sept. 8 for names and further discussion.

Only a few special situations are upgraded this issue:

API Trust (formerly Arlen Property) moves from 5N to 3N-Average with no dividend because of a major asset liquidation underway to cut debt. It has sold seven shopping centers and has 10 more under sale negotiations. We see the fine hand of NYC banking giant Citibank at work in reshaping sponsor Arlen Realty & Development's debt and think this will help the trust.

Barnett-Winston Inv. Trust (soon to be renamed) goes from 5N to 2N-Above average but no dividend because repayment of bank debt gives management flexibility for the first time. Overhanging dilution (see p. 4) still gives us pause but this is manageable now.

Citizens & Southern Realty shifts to 3N-Average from 4N because major debt restructuring and asset swaps have restored positive shareholders' equity (see p. 5).

Colwell Mtg. Trust becomes a 2N, above average, because its Chapter XI restructuring lightens the interest load and makes profits possible (see p. 5).

National Mtg. Fund moves to 4N from 5N on big revenue gains in the Aug. quarter & moderating risk (see p. 12).

BANKRUPTCIES: CITIZENS MORTGAGE TOPPLES INTO CH. X; CHASE TRUST UNVEILS PLAN

Anyway you look at it, the big banks are now playing hardball over troubled trusts. Last week Chemical Bank, as indenture trustee for defaulted 8½% notes of Citizens Mtg. Inv. Trust, called the notes. Citizens Mtg. promptly responded by filing a Ch. X petition under the Bankruptcy Act and a court appointed trustee took over.

About 17% of bondholders had filed notice of acceleration. The trustee says he'd expected the trust to file Ch. XI, in which the debtor remains in possession and tries to negotiate settlement with creditors.

Citizens is advised by the Detroit mortgage banking subsidiary of NYC bank holding company Manufacturers Hanover Corp. Manny Hanny inherited trust sponsorship when it bought the mortgage banker in 1973. The bank was the trust's largest lender with \$20 million committed in a \$75 million credit.

All this underscores our oft-repeated advice: positions are hardening in many troubled trusts and this isn't the time to take needless risks in defaulted bonds.

Chase Manhattan Mtg. & Rlty. unveiled some details of its proposed Ch. XI plan: Subordinated debt would get 80% of stock, banks 10% and existing shareholders 10%. Each share would be backed by \$1 of debt-free assets. See p. 4.

MERGERS/ACQUISITIONS: SHAREHOLDER GROUP TAKES OVER LINCOLN; GOULD TENDERS FOR MUTUAL

A group of shareholders, apparently unrelated initially, had banded together when they found they owned 20% of shares and were unhappy with management's sale of assets to repay bank debt. Management held only 3½%.

They mounted proxy contest, facilitated by Williams Act opening of proxy machinery, and hired NYC proxy solicitor Carter Organization. Total cost was \$75,000. Result: they got 55½% of votes this week.

Meanwhile Gould Investors Trust says it intends to tender for 300,000 sh. of Mutual REIT, founded in 1960s to further integrated housing. Mutual says \$1.75/sh. offered is inadequate and--surprise--hired Carter Organization to tell its story.

RELATIVE APPEAL RANKINGS AND LATEST RESULTS

Relative Appeal (RA) Rankings, shown at extreme left, give Audit Investment Research's current view of relative attractiveness of new share purchases. All trusts are ranked from 1 to 5 based on dividend and earnings outlook. Non-dividend paying trusts shown with an "N" beside their ranking. Each summary contains brief advice on suitability of both shares and bonds. Average market risk is assumed. Changes in rankings are indicated by ↑ UP ↓ DOWN. Relative Appeal Rankings mean:

- 1--Highest appeal with lowest market risk; Dividend outlook stable to up, or may be resumed.
- 2--Above average appeal, somewhat higher market risk; Dividend increases or resumption possible.
- 3--Average appeal and market risk; Dividend fluctuates or resumption possible longer term.
- 4--Below average appeal, high market risk; Dividend cuts or omissions possible.
- 5--Least general appeal; Special problems suitable for sophisticated investors generally.

NON-DIVIDEND paying trusts are not recommended for income investors, but may have trading appeal as speculations upon quick or large price moves on recovery prospects, money market or other news.

All amounts shown are share amounts except those denoted "M" Millions or "T" Thousands. E=Estimates for current or next years where feasible. EPS=Earnings per share. CFS=Net cash flow per share. d=deficit. Data, rankings and advice reviewed bimonthly. See footnotes at end of rankings on page 16.

2N-ALAMAND CORP: Price: \$2.88(OC) Book: 59¢.
Shares (1355T out): Spec. on diversification; now corp. Converts: Spec. yield. Intangibles: Loss res. \$6.31; Taxloss:\$14.10.
Assets: \$51M, 69% non- & 20% low-earn; 79% forecl.; Mix: 30% land, 19% condos. Financing: \$38M debt is 47X \$0.8M equity; \$26M bank debt w/\$10M asset swap; poss. interest forgiven. Earnings: Apr. Q 22¢ after 43¢ inter. forgiven. (FY July; NON-QUAL CORP; Self-adm.)

3N-AMER CENT: Price \$3.75(NY); Book: \$5.35.
Shares (2607T out): Hold, recovery & improving props. Bonds: Speculative yield. Intangibles: Loss res.\$5.99; Taxloss:\$8.94.
Assets: \$103M, 18% non, 37% low-earn; 70% forecl.; Mix: 33% office, 19% hotel, most Wash.D.C. Financing: \$75M debt is 5.6X \$14M equity. Seeking to extend \$56M bank debt; interest rose Oct. 1. Earnings: June FY d28¢; Higher inter. may widen '79 loss. (FY June; VOTING NON-REIT PWR; Life co. adv)

5N-AMER FLETCHER: Price \$3.00(OC); Book: 31¢.
Shares (1352T out): No auditor's opinion '78; Boosted book but still risky. Intangibles: Loss res.\$12.20; Taxloss:\$15.50.
Assets: \$48M, 82% nonearn; 71% forecl. Mix: 48% land/dev., heavy Fla. Financing: \$28M bank debt is 68X \$0.4M equity. Repaying banks & debt extended to 11/30/78 for new pact; accruing 6% inter. & swaps. Earnings: July Q 42¢ after \$1.16 swap gains. (FY Jan; NON-QUAL TRUST; Indiana bank adv.)

4N-AMER REALTY: Price:\$3.00(OC); Book: \$3.37.
Shares (2222 out): Trading, recovering. Bonds: Missed 5/78 int. on 7% converts & seeking permission to pay. Intangibles: Depr.\$3.62; Loss Res: 52¢; Taxloss: \$3.55.
Assets: \$40M, 36½% nonearn. Mix: 74% prop. incl. 40% hotels Wash.D.C. area, 29% land. Financing: \$28½M debt is 3.8X \$7½M equity; \$13M bank debt secured & being restructured. Earnings: June Q 3¢. (FY Sept.; NON-QUAL TRUST; Self administered)

↑ 3N-API TRUST: Price \$2.75(OC); Book \$7.30.
Shares (1012T out): Selling assets to pay debt; recovery spec.; Investor sold 19%. Intangibles: Loss res: \$3.76; Taxloss NR. Assets: \$40M, E18% nonearn. Mix: 53% prop, 11% financing leases, 36% mtgs. Sold 7 shop. ctrs., to sell 10 more. Financing: \$28M debt is 3.8X \$7.4M equity; Debt is \$19M mtgs. & \$8.6M bank debt; Earnings: June Q EPS 32¢ & CFS 40¢ after 36¢ gain. (FY MAR.: Arlen Realty sub. is adviser)

2N-ATLANTA NAT: Price \$5.50(OC); Book \$9.00.
Shares (1273T out): Still room at 39% below book; Group w/17% took board seats in Oct. Intangibles: Loss res: \$4.03; Taxloss \$7.15. Assets: \$24M, 52% nonearn, 35% forc. Mix: 28% apts., 17% land, 17% condo; 35% TX, 33% Fla. Financing: \$6M debt (all bank) is 0.5X \$11½M equity; Bank debt at 115% of prime; Assets pledged. Earnings: Aug. Q d1¢; Aug. yr. 6¢; E FY'79: small profit. (FY Aug.; NON-QUAL TRUST; Atlanta mtg. banker adviser)

3 -BAIRD & WAR: Price \$8.50(OC); Book \$15.86.
Shares (1043T out): Div. omitted but hold for recovery to book. Converts: LT yield. Intangibles: Loss res.\$1.86; Depr. \$1.09. Assets: \$49M, 24% nonearn, 7% forecl. Making new commitments. Mix: 32% indust., 17% condos; Most near Chicago. Financing: \$27M debt is 1.6X \$16½M equity; Borrowed \$14M under \$32M lines. Earnings: July Q d23¢ after 5¢ sale gain; July FY d93¢; E FY'79 better. (FY July; Chicago mtg. banker adv.)

2 -BANKAMER RL: Price \$14.50(OC); Book \$16.92.
Shares(3547T out): Buy/hold for small recovery to book. Converts: Yield. Intangibles: Loss res. 97¢; Deprec. 86¢. Assets: \$168M, 18% nonearn. Mix: 38% prop., 26% apts., 32% shop.ctr. Combines land/lease & LT mtgs. Financing: \$110M debt is 1.8X \$60M equity. Debt: \$46M comcl. paper, 142M bank short. Earnings: July'78 yr. 81¢ oper. profit + \$1.46 gain on sale; July Q 37¢; FY'79 E\$1.00+. Div. July Q 25¢, up 25%; '78 pay-out 79% cap. gain. (FY July; Advised by sub. of largest U.S. bank)

3N-BARNES MTG: Price \$3.75(OC); Book \$11.10.
Shares (1910T out): Average recovery spec.; book eroding by high costs of selling condos. Intangibles: Loss res:\$1.26; Taxloss \$6.60. Assets: \$76M, 75% nonearn, 45% foreclosed. Mix: 43% condos, 18% land/constr.; 44% Fla., 33% Puerto Rico. Financing: \$52M debt (all bank) is 2.5X \$21M equity. Debt at 125% of prime to 12/80; Missed repayments & talking. Earnings: June Q d23¢ after 26¢ gains; See more losses. (FY Sept.; NON-QUAL TRUST; Detroit mtg. banker adviser)

↑ 2N-BARNETT-WIN: Price \$3.38(OC); Book d32¢.
Shares (1663T out): Bonds restructured but high-risk spec.; Large potential dilution. Intangibles: Loss resv \$4.64; Taxloss \$11.35. Assets: \$44M, 66% nonearn, 56% foreclosed. Mix: 38% apts., 31% land, most Fla. & Ga. Financing: \$40M debt over d\$0.5M tangible neg. equity; Repaid all bank debt in Aug. Bonds: In default; Paid 58% of face for \$11.8M in Aug.; remaining \$18.2M convt. at 80% of avg. Nov.'78 price. Earnings: June Q 86¢ after \$1.00 swap gains. (FY Sept.; NON-QUAL TRUST; Self-admin.)

2N-BAY COLONY: Price \$4.50(NY); Book \$6.16.
Shares (3315T out): Longer-term recovery spec.; Selling \$68M assets. Bonds: Hold. Intangibles: Loss res.\$6.08; Taxloss \$8.20. Assets: \$207M, 45% non- & 22% low-earning; 57% forecl.; Mix: 38% apts., 31% land; Financing: \$166M debt is 8.2X \$20M equity. In June '78 restructured bank debt into \$23M at 3% due 2/81 & \$68M at 8½% due 5/86. Earnings: Aug. Q EPS 7¢ after 25¢ sale gain. (FY May; NON-QUAL TRUST; Self-administered)

3N-BRT RLTY: Price \$1.88(AS); Book \$3.01.
Shares (1400T out): Long recovery, limited interest. Intangibles: Loss res.\$2.41; Taxloss \$2.72. Assets: \$22M, 65% nonearn; 44% hotel. Financing: \$15M debt is 3.6X \$4M equity. \$9M bank debt at ½% over prime to 7/81. Earnings: May Q 26¢ after 25¢ reserve recoveries & reversals. (FY Nov.; NJ realty broker adviser)

3N-BT MTG IN: Price \$2.38(NY); Book d\$2.94.
Shares (2116T out): Spec. on swap gains. Bonds: Risky hope assets recover by '82. Intangibles: Loss res.\$9.58; Taxloss\$7.04. Assets: \$124M, 68% nonearn, 35% foreclosed. Mix: 31% apts., 14% land, 10% nursing home. Financing: \$109M debt over d\$6M neg. equity. \$90M bank credit extended to 11/30 to seek extension; Sponsor lends 55% of credit. Earnings: June Q d14¢ after 19¢ asset sale gain; More swaps seen. (FY Sept.; CAN END REIT; Advised by sub. of Bankers Trust, NYC bank)

5N-BUILDERS INV: Price \$1.94(OC); Book 23¢.
Shares (2929T out): For believers; long recovery. Intangibles: Loss res.\$13.83; Taxloss \$12.12. Assets: \$193M, 54% non, 27% low earn; 29% condos, 24% land. Financing: \$150M debt is 213X \$0.7M net equity. \$110M bank debt at 2% to 9/79; 3% & higher after to '83. assets pledged; Seeks stretch of '79 repayments & will swap more assets. Earnings: June Q d39¢. (FY Sept.; NON-QUAL TRUST; Self-adm.)

2N-CAMERON-BR: Price \$3.75(NY); Book \$7.05.
Shares (2016T out): Trading or LT recovery spec.; Clean balance sheet & 46% below book; Asset swaps may halt bleeding. Intangibles: Loss res.\$6.45; Taxloss \$2.38. Assets: \$95M, 49% non- & 34% low-earn; 71% forecl. Mostly resid. in Southeast; 35% apts., 30% land & devel. Financing: \$71M debt is 5.0X \$14M equity; \$63M bank debt at 3% or net income to 12/79; No sub. debt. Earnings: June Q d11¢ after 55¢ swap gain & 54¢ loss prov. (FY Dec.; NON-QUAL TRUST; Advised by S.Car. bank)

3N-CAPITAL M: Price \$1.50(Ph); Book d\$1.26.
Shares (1675T out): Trading/recovery. Seeking merger. Pfd.: 420T sh. issued to banks. Converts: Spec. yld. Intangibles: Loss res. \$10.75; Taxloss \$13.01. Assets: \$60M, 53% nonearn, 42% forecl. Mix: 36% land (being developed), 19% hotel/motel, 29% LT mtgs. 55% Wash.D.C. area. Finances: \$46½M debt over d\$2M net equity; \$32M bank debt, in default 8/1/78 when interest step-up from 1% to 3% not paid. Earnings: June Q d55¢ after 98¢ loss prov. & 42¢ sale/swap gains. (FY Dec.; NON-QUAL TRUST; Independent)

2N-CENTRAL MI: Price \$6.00(OC); Book \$12.28.
Shares (775T out): Buy/hold at 51% below book; Selling land; Rejected one merger overture but still buyout. Intangibles: Loss res.\$1.07. Assets: \$19M, 22% non- & 17% low-earn; 33% forecl. 38% apts., 31% land; most Midwest. Financing: \$8M debt (all bank) is 0.9X \$9½M equity. \$17M bank credit to 4/79 at 117% of prime permits new loans; No subor. debt. Earnings: June Q 26¢ after 22¢ asset sale gain; FY '79 seen breakeven. (FY Mar.; Advised by two mtg. bankers)

5N-CHASE MAN: Price \$1.13(OC); Book d\$4.26.
Shares (4886 out): Avoid; Massive dilution under proposed Ch. XI plan or long court battle. Bankruptcy: To seek subor. debt approval of Ch. XI plan to exchange new Ser. A pfd. w/\$33 liquidating value per \$50 face amt. of subor. debt & convt.

into 27 sh. or potential 38.9M new sh. Would repay defaulted 7-7/8% sr. notes at par & swap assets for \$150M bank debt, issuing 4.9M new sh. to banks. New voting lineup: Subor. debt 80%; banks 10%; current shares 10%. Filing proxy & expects vote before Dec. 31. If Oked, trust would keep 2,700-acre Palmas del Mar resort in Puerto Rico & 3 other assets w/ \$48M value. Intangibles on current sh.: Taxloss \$8.90; Loss res. \$6.13. Earnings: May Q d\$1.26; May FY d\$3.93. (FY May; NON-QUAL; Sponsor Chase Bank walking)

4N-CI MTG GR: Price \$3.13(Ph); Book d\$3.32. Shares (4812T out): Trading spec. on banks restoring positive equity by completing pending swaps; else bankruptcy. Intangibles: Loss res. \$9.31; Taxloss p\$5.00. Assets: \$248M, 85% nonearn, 60% foreclosed. 48% apts., most Northeast. Financing: \$229M debt over d\$16M neg. equity. \$223M bank debt & inter. notes accruing at 5% to 10/82, contingent on \$100M prin. payment via swaps & positive net worth; received \$156.7M swap bids in Sept. for \$100M net book value of assets. Earnings: July Q d23¢. No auditor's opinion '77. (FY Oct.; NON-QUAL TRUST; Advised by sub. of City Investing)

2N-CI REALTY: Price \$13.38(NY); Book: \$16.67. Shares (2609T out): Merger and/or liquidation spec. on improving NYC offices; 12% of stock bought by outsiders (Tamco) & 15.6% by adviser. Intangibles: Deprec. \$4.81; Taxloss \$2.61. Assets: \$104M, 7% nonearn; 93% props. Mix: 48% NYC offices, 41% apts. Financing: \$67M debt is 1.5X \$43M equity. Mortgaged offices & repaid \$9M bank debt. Earnings: Aug. Q EPS d9¢; May CFS 8¢; Est. FY'79 EPS 20¢ & CFS 90¢. Settled two major lawsuits. (FY Feb.; NON-QUAL TRUST; Advised by City Investing sub)

NR-CITINAT DEV: Price \$7.13(OC); Book \$13.33. Shares (600T out): Limited interest. Intangibles: Loss res. \$1.92. Assets: \$12M, 73% non- & low-earning. Mix: 31% office, 28% one-family. Financing: \$3.3M debt is all comcl. paper & 0.4X \$8M equity. Earnings: June Q 29¢. (FY March; NON-QUAL TRUST; Advised by Beverly Hills bank)

↑ 3N-CIT & SO RL: Price \$1.75(OC); Book d\$1.60. Shares (3829 out): Recovery spec.; swaps & restructuring gave positive equity at Sept. 30. Intangibles: Loss. res. \$10.45; Taxloss \$28.00. Assets: \$231M, 36% nonearn; Swapped \$75M to banks. Mix: 26% apts., 17% land, 17% shop. ctrs.; 36% GA, 24% FL. Financing: Swaps cut bank debt to \$76.6M at Sept.30 over positive equity; Bank cre-

dit at 1% cash inter. to 9/82. Earnings: June Q \$1.60 after \$2.65 swap & restructure gains on sh. out. More swap gains in Sept. Q. (FY June; NON-QUAL TRUST; Advised by largest Atlanta bank)

3N-CIT GROWTH: Price \$5.00(OC); Book \$6.82. Shares (811T out): Hold for moderate recovery; Broker group now owns 23% of sh. Intangibles: Loss res.\$2.22; Taxloss \$7.68. Assets: \$8M, 55% nonearn, 24% foreclosed. Mix: Heaviest motels & land. Financing: \$2.2M debt is 0.4X \$5.5M equity. \$1.2M bank credit to 7/80 at 5%; Assets pledged & swapping. Earnings: July Q 7¢ after some special items. (FY Jan.; NON-QUAL TRUST; Advised by independent Cleveland group)

5N-CITIZENS MI: Price: Susp.(OC); Book d\$17.02. Shares (1421T out): Avoid; in Ch. X. Notes: 8½s of '80 sophisticated play on possible ruling that sponsor must pay in full; otherwise not much left if banks get full payment under Ch. X "absolute priority" rule. Bankruptcy: Filed Ch. X Oct. 5, 1978 after note trustee Chemical Bank called 8½% notes; 8½s were in default since 10/15/76. Earnings: June Q d45¢ after 23¢ loss reserve credit. No auditor's opinion '77. Intangibles: Loss res. \$14.93; Taxloss \$11.68. (FY Dec.; NON-QUAL TRUST; Advised by Detroit mtg. banker sub. of Mfgr. Hanover, NYC bank)

2N-CLEVETRUST: Price \$5.25(OC); Book \$10.38. Shares 2525T out): Buy/hold long-term recovery; See 44¢ gain on land sale in Sept. Intangibles: Loss res.\$3.04; Deprec.\$1.80; Taxloss \$3.52. Assets: \$91M, 44% non, 15% low-earn; 55% forecl. Mix: 69% props. incl. forecl; 27% apts., 27% comcl., 18% land. Financing: \$57M debt is 2.2X \$26M equity. \$33M bank debt to 12/78 at prime not over 7½%. Earnings: Sees Sept.'78 Q profit on asset sales; June Q d17¢. (FY Sept.; NON-QUAL TRUST; Advised by Cleveland bank sub.)

↑ 2N-COLWELL MT: Price \$2.63(OC); Book \$2.90. Shares (2030T common & 2149T pfd. out): Buy/hold for moderate LT recovery; New pfd. favored, has \$7.50 liquidate value. Bankruptcy: Pre-approved Ch. XI approved Apr.'78 paying cash & pfd. for old subor. debt; Banks get 8% inter. & asset pledge. Intangibles on total sh: Loss res.\$4.56; Taxloss \$7.90. Assets: \$124M, 24% non-, 18% low-earn; 41% foreclosed & refinance; 35% apts., 19% hotel/motel, 21% shop.ctr. Financing: \$97M debt is 8.0X combined \$12M equity. \$95M secured bank debt @ 8%. Earnings: June Q \$6.12 after \$5.92 restructuring gain; Elimination of subor. debt interest to aid results. (FY Dec.; Advised by Los Angeles mtg. banker)

- 1 -CONN GEN: Price \$19.50(NY); Book \$18.96. Shares (5719T out): Buy/hold long-term; Div. increase likely. Converts: Safe yld. Intangibles: Loss res. 93¢; Deprec. \$1.47. Assets: \$340M, 3% non-, 12% low-earn; 5% foreclosed; Expanding properties, now 39%. Mix: 37% regional shop.ctr., 31% resid. Financing: \$180M debt is 1.7X \$108M equity. Only \$9M short-term debt; \$90M term debt mostly at 8.75%, plus \$54M mtgs. Earnings: June Q EPS 30¢ & CFS 52¢ after 6¢ sale gain; FY'79 Est. EPS \$1.30-40 & CFS \$1.75. (FY March; Major life co. adviser)
- 4 -CONSOL CAP: Price \$28.00(OC); Book \$17.99. Shares 1989T out): For speculative income, over book; '77 div. 25% cap. gains & 75% taxfree cap. return. Intangibles: Deprec. \$6.74. Assets: \$131M, all properties, no nonearning. Mix: 82% apts. w/8,440 units; 16% shop. ctrs.; 51% Texas. Financing: \$94M debt is 2.6X \$36M equity. Debt: \$92M secured mtgs., \$1.7M bank. Earnings: May Q EPS d8¢, CFS 42¢. Div.: Raised Oct. mon. to 17.16¢ or \$2.06 ann. rate. (FY Nov., Managed by Oakland, Cal. realty group)
- 2 -CONT ILL PR: Price \$16.63(NY); Book \$19.66. Shares (4808T out): Cash flow rising on bigger assets; Buy/hold for yield & LT gains. Intangibles: Deprec. \$3.82. Assets: \$283M, 0.2% nonearn; Mix: 95% property, 5% mtg; 40% apts., 28% shop ctrs., 23% offices. Financing: \$188M debt is 2.0X \$95M equity. Debt: \$176M mtgs. & \$12M bank loans. Earnings: July Q EPS 7¢ & CFS 34¢ after 2¢ mtg. refinancing chg.; Est.: FY'78 EPS 35¢ & CFS \$1.35. Div.: 32¢ qtr. (FY Oct.; Advised by sub. of Cont. Ill. Bank, Chicago)
- 3N-CONT ILL RLTY: Price \$3.88(NY); Book \$1.64. Shares (2797T out): Speculative hold if sponsor buys \$35M assets in '79 to let trust repay bonds maturing 12/79; Success requires major asset liquidation. Intangibles: Loss res. \$13.02; Taxloss NR. Assets: \$151M, 53% non & 24% low-earn; 54% foreclosed. Mix: 31% land. Financing: \$106M debt is 23X \$4.6M equity. \$69M bank debt at 5% min. interest to 130% of prime to 11/79; Pledging assets; Sponsor agrees to buy \$35M assets if trust can repay \$55M to other banks by 11/79. Bonds: Speculation on fast liquidation. Earnings: June Q d37¢. (FY Mar.; SEEKS NON-REIT STATUS; Advised by Cont. Ill. Bank, Chicago, sub.)
- 4N-CONTL MTG: Price 33¢(OC); Book d\$3.75. Shares (20838T out) & Bonds: High risk speculation that viable entity emerges from bankruptcy; creditors & mgmt. seem at impasse. Intangibles: Loss res. \$4.93; Taxloss \$5.35. Bankruptcy: Filed Ch. XI 3/8/76 & liquidation ordered but stayed by Ch. X filing 10/22/76; Ch. X filing denied & liquidation order overturned on appeal, leaving case back at Square One. Assets: \$582M, 93% troubled; selling condos & developing land. Finances: Owes \$561M & d\$78M negative equity; New accounting firm auditing books to determine asset value & solvency. Earnings as reported to court: 7¢ in 2 mon. to 5/31/78. (FY Mar.; NON-QUAL; Independent)
- 4N-COUSINS M&E: Price \$3.75(NY); Book 99¢. Shares (3854T out) & Bonds: Hold/sell; price runup discounts benefits from pending diversification via holding company. Intangibles: Loss res. \$9.55; Taxloss \$12.90. Assets: \$146M, 74% nonearning; 61% foreclosed. Mix: 45% land/develop., 20% apts., 18% lodgings. Financing: \$107M debt is 28X \$3.8M net equity. \$77M bank debt at income or 2%, plus contingent, to 12/79. Earnings: May Q d5¢. (FY Aug.; NON-QUAL TRUST; Self-administered)
- 2 -DENVER RE: Price \$10.75(OC); Book \$8.06. Shares (1101T out): Buy/hold for income and asset growth; '78 cash flow better. Intangibles: Deprec. \$7.14. Assets: \$51M. Mix by revenues: 48% office/comcl., 22% shop. ctrs., 14% motel, 12% apts. Financing: \$41M debt is 4.6X \$9M equity. Debt: \$33M mtgs., \$5M debentures. Earnings: Mar. Q d5¢, CFS 21¢. Plans to add assets, thus incr. deprec. & cutting EPS. Div.: June 18¢; '77 approx. 50% taxfree. (FY Dec.; Independent management)
- 2N-DIVERSIFIED: Price \$4.75(NY); Book \$8.46. Shares (7327 out): Buy under \$5 as merger or recovery spec.; converted to corp.; MEI Corp. bought 7.4% of sh. Intangibles: Loss res. \$4.47; Taxloss \$4.94. Assets: \$137M 81% nonearn, 26% foreclosed. Mix: 67% secondary & 7% primary homesites, 11% raw land. Financing: \$47M debt is 0.7X \$62M equity. Borrowed \$45M from Cont. Ill. Bank to buy all other bank debt at discount. Earnings: June Q d3¢; Loss seen in Sept. Q. (FY Dec.; NON-QUAL CORP; Now self-administered)
- 5N-DOMINION MR: Price 50¢(OC); Book d\$10.86. Shares (639T out) & Bonds: High-risk spec.; Proposed bankruptcy plan would give bond holders 71% of sh. Bankruptcy: Filed Ch. XI 6/28/77. Plan now pending. Intangibles: Loss res. \$5.88; Depr. \$2.29; Taxloss \$16.27. Assets: \$35M, 38% non, 46% low-earn; 76% foreclosed. Mix: 33% condos, 33% apts. Financing: Owes \$34.7M over d\$7M neg. equity. Debt: \$17M banks, \$11M bonds. Earnings: May Q 24¢; May FY d53¢. (FY May; NON-QUAL TRUST: Adv. by independ. group)

2N-EASTOVER CP: Pr. \$10.00(OC); Book \$11.41.
Shares (1008T out): Speculation on more aggressive workout, merger deals under new mgmt. Bought 12½% of Texas First Mtg. stock & eying others. Intangibles: Loss res. \$6.04; Taxloss \$10.04. Assets: \$20M, 65% non- & 14% low-earn; 55% foreclosed. Mix: 68% land; 49% La., 51% other South. Financing: \$3M debt (all mtgs.) is 0.2X \$11½M equity. Repaid all bank debt 4/78 from asset sales. Earnings: June Q 46¢ after 42¢ loss prov. recovery. (FY Dec.; NON-QUAL TRUST; Jackson, Miss. broker Le-land Speed heads new mgmt. group)

3 -EQUIT LF MTG: Pr. \$20.88(NY); Book \$23.43.
Shares (5663T out): Hold, EPS vulnerable to rising short-term rates. Intangibles: Loss res. 33¢. Assets: \$413M, 8% nonearn; 31% long-term mtgs., 62% short-term const. & devel. loans; Expanding ST. Mix: 29% shop. ctrs., 18% tracts & land. Est. \$140M or 34% floats with prime. Financing: \$277M debt is 2.1X \$133M equity. Debt is \$257M short-term tied to prime & incl. \$144M comcl. paper. Bank lines \$229M. Earnings: July Q 54¢ incl. 6¢ overdue & restructuring interest & 5¢ gain on condo sale. Gross spread narrowed 0.8% in last year. Est.: FY'78 EPS \$2.00. Div.: \$2.00 rate held. (FY Oct.; Major life company adviser)

2 -FEDERAL RLTY: Pr. \$19.13(AS); Book \$10.03.
Shares (1430T out): Buy/hold for income & modest growth from prop. purchases (e.g., plans buying 8 shop. ctrs. from Amterre Dev. if Food Fair bankruptcy doesn't upset deal); High operating return on prop. Intangibles: Deprec. \$3.38. Assets: \$39M, Zero nonearn; 98% properties w/cash flow: 74% shop. ctrs., 25% apts.; most Wash.DC area but diversifying. Financing: \$23.6M debt is 1.7X \$14M equity. Debt: 86% mtgs., 14% bank loans; Will borrow \$2M for Amterre deal. Earnings: June Q EPS 29¢ & CFS 31¢. Est.: FY'78 EPS \$1.25+. Div.: \$1.36 rate. (FY Dec.; Independent mgmt.)

4N-FIDELCO GROW: Pr. \$4.63(AS); Book \$3.73.
Shares (1580T out): Spec. on sponsor aid. Intangibles: Loss res. \$11.20; Taxloss \$5.41. Assets: \$102M, 78% nonearn; 60% foreclosed. Mix: 31% land (developed & raw), 31% condos; 31% Penn., 25% Fla. Financing: \$78M debt is 13.3X \$6M equity. \$72M bank credit to 11/30/78 at 1% cash + earnings; Swapping assets. Earnings: May Q 19¢ after 62¢ swap gain & 14¢ settlement gain. (FY Nov.; NON-QUAL TRUST; Adv. by mtg. banker sub. of Phil. bank)

2 -FIRST CONT'L: Pr. \$8.75(OC); Book \$10.31.
Shares (2106T out): Hold for speculative

income & incr. in 10% return on book val. Intangibles: Loss res. 43¢. Assets: \$45M, 9% nonearn, 5% foreclosed. Mix: Mostly mtg. loans: 51% constr., 38% devel., 10% land; 86% Texas. Financing: \$26M debt (all bank) is 1.2X \$22M equity. Borrows under \$33½M bank lines at ½% over prime plus compensating balances; Must pledge assets equal to debt if demanded. Earnings: Aug. Q EPS 26¢, up 4%. Est.: FY'79 EPS \$1.00-05. Div.: Aug. Q 25¢, up 1¢. (FY Feb.; Advised Houston mortgage banker)

2N-FIRST DENVER MI: Pr.\$3.38(OC); Book \$6.27.
Shares (1621T out): Recovery spec. at 46% below book. Intangibles: Loss res. \$4.21; Taxloss \$9.87. Assets: \$54M, 38% nonearn; 27% foreclosed. Mix: 18% land, 19% condo-secondary home, 11% condo-primary, 14% motels. Financing: \$38M debt (all bank) is 3.8X \$10M equity. Bank debt to 5/81 at 3% in '78, 6½% in '79; Assets pledged. Earnings: June Q d27¢ after 62¢ conting. interest settlement cost & 14¢ swap gain. (FY Sept.; NON-QUAL TRUST; Advised by sub. of Denver bank)

3 -FIRST FIDELITY: Pr.\$10.75(OC); Book \$9.90.
Shares (866T out): Liquidating & relatively unattractive as spec. on getting at or over book; One group owns 9% of sh. Intangibles: Deprec. \$5.12. Assets: \$28M, Est. 0% non-earn; Mix: 53% shop. ctrs., 33% office. Financing: \$20M debt (all mtg.) is 2.3X \$8.6M equity. Liquidation: To be completed by 2/28/79. Earnings: May Q EPS d65¢ after 78¢ loss on abandonment of Kansas City office; CFS 19¢ before loss. (FY Nov.; Managed by Kan.City rlty. grp.)

2N-FIRST MEMPHIS: Pr.\$3.63(OC); Book \$4.59.
Shares (1156T out): Spec. on loss reserve recovery at 21% below hard book. Intangibles: Loss res.\$5.01; Deprec. \$2.22; Taxloss \$5.77. Assets: \$48M, 45% non-, 21% low-earn; 59% foreclosed. Mix: 30% land, 22% offices, 20% apts.; 34% Tenn. Financing: \$38M debt is 7.2X \$5M equity. \$27M bank debt at 2% + contingent inter. to 11/30/78; Swapping assets. Earnings: May Q 18¢ after 16¢ asset sale gain. (FY May; NON-QUAL TRUST; Adv. Memphis bank)

5N-FIRST MTG: Price 75¢(OC); Book d\$5.98.
Shares (8495 com.): Avoid, high risk, bankruptcy possible. Bonds: For swaps. Pfd: 141T Ser. A & 450T Ser.B held by lenders. Intangibles: Loss res. \$1.68; Taxloss \$9.65. Assets: \$261M, 17% non- & 47% low-earn; Mix: 31% lodgings, 28% apts., 17% office. Financing: \$245M debt over \$59M liquidating value pfd. & d\$51M negative common; \$192M bank credit ex-

pired 8/31/78 & negotiating to avert bankruptcy. Earnings: July Q 1¢ after 1¢ swap gain. (FY Jan.; NON-QUAL TRUST; Independent management)

4N-FIRST NEWPORT: Pr.\$2.13(OC); Book \$3.44. Shares (2339T out): Long recovery, making progress. Bonds: Hold. Intangibles: Loss res.\$10.69; Taxloss \$24.80. Assets: \$107M, 46% non, 14% low-earn; 37% forecl. Mix: 30% condos, 24% lodgings. Financing: \$79M debt is 9.8X \$8M equity. \$61M bank credit repayable by 10/82 at 5% interest in FY'79; Lets trust repay \$7.4M of 8.75% subor. notes due 5/15/79 if conditions met. Earnings: July Q EPS 14¢ after 5¢ loss res. credit. (FY Oct., NON-QUAL; Independent)

3N-FIRST PENN MI: Pr.\$2.50(NY); Book \$1.33. Shares (2916T out): Trading spec., pending swaps may add \$2.70/sh. book value. Intangibles: Loss res.\$9.46; Taxloss \$8.08. Assets: \$144M, 75% nonearn, 62% foreclosed. Mix: Heavy condo, comcl/indus. land; 21% FL Financing: \$109M debt is 19X \$4M equity. \$96M bank debt accruing at prime w/interest forgiveness; Swapping. Earnings: July Q EPS 1¢; July FY d\$2.08 after \$1.43 restructure gains. (FY July; NON-QUAL TRUST; Advised by sub. of First Penn bank, Philadelphia)

2 -FIRST UNION: Price \$11.50(NY); Book \$8.63. Shares (4270 com.) & Bonds: Buy for quality income; New mtg. debt cut rate risk. Intangibles: Deprec. \$7.89. Assets: \$197M, E7% low-earn. Mix: 70% offices, 25% shop. Financing: \$154M debt is 3.3X \$47M total equity (\$10M pfd., \$37M common). Debt is: 78% secured mtgs., 13% short-term, 9% cvt. Closed new \$11M mtgs. in Aug. Earnings: July Q EPS 45¢ & CFS 52¢ after 23¢ asset sale gain. Est.: FY'78 EPS \$1.10. Div.: Upped latest Q to 27¢ or \$1.08 ann. rate. (FY Oct.; Independent Cleveland mgmt.)

3N-FIRST VIRGINIA: Pr.\$3.50(OC); Book \$6.02. Shares(1208T out) & Bonds: Hold for modest recovery. Intangibles: Loss res.\$9.46; Taxloss \$9.93. Assets: \$70M, 42% non, 8% low-earn; 50% foreclosed. Mix (forecl.): 31% condos, 23% land; 37% Va., 34% Fla. Financing: \$52M debt is 7.1X \$7M equity. \$32M bank credit 20 12/79 accruing at 4% + contingent inter.; Pledged assets. Earnings: Mar. Q EPS 22¢. (FY June; NON-QUAL TRUST; Independent mgt. tied to bank)

3N-FIRST WISC MT: Pr. \$4.25(OC); Book \$5.58. Shares (1988T out): For long recovery, some dilution. Intangibles: Loss res. \$8.98; Taxloss \$20.12. Assets: \$118M, 37% non & 49% low-earn; 75% foreclosed. Mix:

31% apts., 29% land; 36% FL, 25% Midwest. Financing: \$91M debt is 8.2X \$11M equity. \$75M bank debt at 1% or net income to 5/80; Banks provided \$5M secured standing loans on props. Earnings: June Q nil after 55¢ loss prov. (FY Dec.; NON-QUAL TRUST; Advised by Milwaukee bank sub.)

2 -FLATLEY: Pr. \$5.00Un(OC); Book \$7.04. Shares (1000T out): Buy for recovery toward book value. Intangibles: Depr. \$2.05; Taxloss 27¢. Assets: \$21M, E3% non-& 12% low-earn; E40% foreclosed. Mix: 40% apts, 52% shop. ctrs.; 92% Mass. Making new property investments. 95% prop., 5% loans. Financing: \$14.7M debt is 2.1X \$7M equity; 85% secured mtgs. Earnings: June Q EPS 12¢; CFS 17¢. Fair profit expected FY'79. Div: Resumed 20¢ 9/78. (FY June; Self-Adm.)

2 -FLA GULF: Price \$14.50(OC); Book \$14.59. Shares (995T out): Buy for yield & modest growth in overage rents and new properties. Intangibles: Depr. \$5.27. Assets: \$32M. Mix: Over 93% shop. ctrs. (strip); 92% FL. Most Grant space filled. Financing: \$18M debt is 1.3X \$14½M equity; \$18M mtgs. on prop. Earnings: July Q EPS 20¢ & CFS 37¢ after 2¢ gain. E FY'79 EPS 60-70¢, CFS \$1.35, div same. Div: 32¢/qtr, 55% tax-free. (FY Apr.)

3N-FRANKLIN: Price \$5.63(AS); Book \$7.91. Shares (999T out): Hold for earnings improvement, expanding real estate services. Converts: Hold. Intangibles: Deprec. \$10.97; Taxloss \$1.74. Assets: \$32M. Mix: 77% prop. owned, 23% mtgs. & joint vent. Prop: 19 offices mid-west & Fla., 5 apts., 2 motels, 1 land tract. Vacancies falling. Financing: \$25M debt is 3.2X \$8M equity. Debt is: 65% secured, 15% short, 20% convt. Earnings: June Q 9¢ after 1¢ tax benefit; FY 48¢ after 20¢ gain & 19¢ tax ben. (FY June; NON-QUAL TRUST; Mgmt. by independent Phil. realty group)

2 -FRASER: Price \$11.50(OC); Book \$16.64. Shares (1038T out): Hold for recovery; Block of 8% bought. Intangibles: Loss Res. 54¢. Assets: \$48M, 8% nonearn; 7% foreclosed. Mix: 37% LT; 31% Ohio, 25% Fla. Making new investments. Financing: \$38M bank debt is 2.2X \$17M equity. Earnings: May Q 50¢ after 43¢ sale gain; FY \$1.26; E FY'79 up. Div: 27¢, up 1¢. (FY May)

- 1 -GEN GROWTH: Pr. \$25.63(NY); Book \$6.38.
Shares (6202T out): Buy on dips, unique development ability. Intangibles: Depr. \$4.10. Assets: \$325M, no problems; high quality. Mix: 76% shop. ctrs (major Midwestern malls), 14% apts. Financing: \$288M debt is 7.3X \$39½M equity. Debt is 91% secured mtgs. & \$25M 9-1/8% notes to 4/97. Earnings: June Q EPS 35¢ and CFS 44¢ after 1¢ gain. Div: Sept. 39¢, up 2¢, about 60% tax-free. (FY Sep.)
- 2N-GMR PROP: Price \$2.88(NY); Book \$3.73.
Shares (2210T out): Recovery speculation. Bonds: Hold for restructure offer: \$1,025 prin. of new 8½% debts. + 50 sh. for 7 7/8s. Intangibles: Loss Res. \$7.23. Taxloss \$12.20 to FY'77. Assets: \$81M, 39% non- & 22% low-earn; 53% foreclosed. Mix: 24% apts., 26% land; 79% Southeast. Financing: \$53M debt is 6.4X \$8M net equity; \$30M bank debt to 9/28/78 accruing at prime, pay at 4% cash + conting. inter. to 125% prime. Nego. ext. with similar terms. Earnings: May Q d12¢. (FY Feb.; NON-QUAL TRUST)
- 2 -GOULD INV: Price \$9.63(AS); Book \$6.97.
Shares (1174T out): Speculative income, above average yield. Intangibles: Loss Res. 35¢; Depr. \$10.10. Assets: \$39M, 2% nonearn; 86% prop. owned. Mix: 19% NYC office, 5 apts., 15 strip ctrs. Financing: \$31M debt is 3.8X \$8M equity. 91% secured mtgs. Earnings: June Q EPS 18¢; CFS 30¢. Div: Sep. 22¢, up 2¢. (FY Sep.)
- 2 -GREIT: Price \$6.88(AS); Book \$11.31.
Shares (998T out): Hold for spec. income & re-leasing of vacant Dayton office space. Renovation to cause drain from this bldg. Shares 39% below book. Intangibles: Depr. \$14.22; Loss Res. 8¢. Assets: \$35M, several vacancies. Mix: 61% shop. ctrs., 29% offices & urban stores, 2% mtgs. Financing: \$24M debt is 2.1X \$11.3M equity; all secured mtgs. Earnings: July Q EPS 14¢, CFS 22¢. Div: Oct. 10¢. (FY Oct.)
- 5N-GRT AMER: Price 88¢(OC); Book d\$12.99.
Shares (4456T out): Filed Ch. XI 3/77. SEC Ch. X motion still in progress. Still risky. Bonds: Hold. Intangibles: Loss Res. \$13.22; Depr. \$3.45; Taxloss \$15.93. Assets: \$315M, 90% nonearn; 83% foreclosed. Mix: 42% apts., 21% land. Financing: \$321M debt over \$58M negative equity. Proposed plan: secure assets for sr. creditors + equity for cash int.; debent. exchange. Earnings: Apr. Q 9¢; foreclosures now positive cash flow. (FY July; NON-QUAL TRUST; Self-adm.)
- 3N-GROWTH RL: Pr. \$5.00(NY); Book \$8.03.
Shares (2059T out): Improved spec.; Mgmt. claims \$4/sh. unrealized appreciation. Bonds: Risky yield. Intangibles: Loss Res. \$5.10; Taxloss \$10.93. Assets: \$112M, 43% non- & 12% low-earn; 61% foreclosed. Mix: 40% apts., 18% shop. ctrs. Financing: \$78½M debt is 4.7X \$16½M equity; \$56M bank debt to 12/81 w/int. accrued at prime; pledging assets. Earnings: June Q \$1.15 after 76¢ swap loss & \$2.00 loss res. credit. FY EPS \$4.03. (FY June; NON-QUAL TRUST; Self-adm.; Was LMI Inv.)
- 5N-GUARDIAN: Price \$1.25(PH); Book d\$14.41.
Shares (3000T out): Filed Ch. XI 3/78. SEC seeks Ch. X. Hold; Avoid new buys. Bonds: Interest default 6/77; Hold. Intangibles: Loss Res. \$10.19; Taxloss \$32.67. Assets: \$218M, 60% non- & low-earn; 42% foreclosed. Mix: 43% land, 18% condos, 28% income-prod. prop. Financing: \$238M debt over \$43M negative equity. Debt is \$204M bank, \$34M debent. Earnings: May Q 27¢ after 13¢ taxloss gain. (FY Feb.; NON-QUAL TRUST; Self-adm.)
- 2N-HAMILTON: Price \$3.00(OC); Book \$5.01.
Shares (2138T out): Recovery spec. at 40% below book. Intangibles: Loss Res. \$6.64; Taxloss \$3.26. Assets: \$79M, 27% non- & E19% low-earn; 39% foreclosed. Mix: 59% apts., 15% office, 13% land, 37% Okla., 16% Fla. Financing: \$52M debt is 4.9X \$10.7M equity; \$49M bank credit to 6/78 at 3½%. Renego. to cure default. \$8M repay. overdue. Earnings: June Q d8¢. (FY Dec.; NON-QUAL TRUST; Self-adm.)
- 2N-HANOVER SQ: Price \$6.88(AS); Book \$11.25.
Shares (946T out): Buy/hold for recovery, merger potential. Converts: Spec. income buy. Intangibles: Loss Res. \$2.22; Depr. 24¢; Taxloss \$4.55 as of 8/76. Assets: \$32M, 21% non- & 10% low-earn; 23% foreclosed. Mix: 68% resid., 17% shop. ctrs.; 48% Northeast. Temporarily stopped making new commitments. Financing: \$19M debt is 1.8X \$10.7M equity; \$16M bank credit at 124% prime. Earnings: May Q 12¢ after 12¢ gain on debent. repurchase. (FY Aug.)

- 3N-HEITMAN: Price \$2.00(AS); Book \$2.28.
Shares (3292T out): Recovery spec.
Converts: Higher risk hold. Intangibles: Loss Res. \$4.81; Taxloss E\$4.50.
Assets: \$112M, 50% non- & 15% low-earn; 19% foreclosed. Mix: 31% shop. ctrs., 12% hotels, 18% offices, 21% land; 25% Ill, 16% Cal., 22% other West.
Financing: \$90M debt is 12X \$7.5M equity; \$53M bank debt to 4/79 at prime, \$20M to 4/79 at $\frac{1}{4}\%$ over prime. Earnings: June Q d28¢. (FY Dec.)
- 1 -HOSPITAL MTG: Pr. \$12.38(AS); Book \$22.62.
Shares (1178T out): Buy, 5% yield, recovery at 45% below book. Liquidating non-earn mtgs. Intangibles: Loss Res. 21¢; Depr. 47¢. Assets: \$37M, 37% non-earn; 2% foreclosed. Mix: 34% medical, 31% land, 18% apts; 2/3 Fla. Swapped 2 participations for 133 ac. in Houston. Financing: \$12M debt is 0.5X \$26.6M equity; \$9M bank debt; \$3M mtgs. Earnings: May Q EPS 10¢. E FY'79 EPS 50¢, CFS 65¢, div. 60¢. Div: 15¢/qtr. (FY Feb.)
- 3 -HOTEL INV: Price \$19.75(AS): Book \$17.30.
Shares (1558T out) & Bonds: Buy/hold income. Occupancy & room rates up. Intangibles: Loss Res. 56¢; Depr. \$2.89. Assets: \$77M, 4% nonearn; 47% prop./48% LT mtgs. All hotels/motels, most national franchises; comcl. business travel oriented. Financing: \$51M debt is 1.9X \$27M equity; Debt is \$16M secured mtgs., \$10M 9 3/4% for 15 yrs., \$16M converts. Earnings: May Q EPS 37¢; CPS 50¢. E FY'78 EPS \$1.50. Div: 45¢/qtr. (FY Aug., Self-adm)
- 2 -HUBBARD: Price \$17.63(NY); Book \$22.84.
Shares (4004T out): Buy for dividend increase prospects. Intangibles: Loss Res. 44¢; Depr. \$3.65. Assets: \$85M, E4% nonearn due to Grant vacancies. Most net leased retail & food stores. Net lessees: 20% Safeway, 17% Ashland Oil, 17% Chrysler. Financing: \$3M mtg. debt is 0.03X \$91.5M equity. Earnings: July Q 43¢. E FY'78 \$1.70 on new lease acctg., div. \$1.38-40. Div: 36¢, up 6%. (FY Oct.)
- 2 -ICM RLTY: Price \$9.75(AS); Book \$14.89.
Shares (3011T out): Long term recovery. Intangibles: Loss Res. \$5.16; Depr. 28¢. Assets: \$95M, 57% non- & lowearn; 36% foreclosed. Mix: 50% apts., 26% shop. ctrs., 15% land; 40% land/lease-backs. Financing: \$36M debt is 0.8X \$45M equity; Debt is 54% secured mtgs., \$18M credit to 2/79 at 120% prime. May Q 28¢ after 13¢ gain. E FY'78 EPS 60¢, annual div. 30-40¢ avail. if no further losses taken. Div: Paid 23.6¢ in 3/78 from FY'77 income. (FY Nov.)
- 4N-IDS RLTY: Price \$2.63(OC); Book \$3.73.
Shares (2409T out): High risk spec. Bonds: Risky hold; tender at 80% of par for \$65M face completed 8/78. Intangibles: Loss Res. \$8.15; Tax-loss \$16.84 before recent gain. Assets: \$139M, 46% nonearn; 39% foreclosed; after 8/78 sale to IDS, Inc. Financing: \$112M debt is 12.4X \$9M equity; \$105M subor. debentures. Earnings: July Q 65¢ after 31¢ tax benefit. (FY Jan.; NON-QUAL TRUST)
- 5N-INDEPEND MTG: Price \$2.25(OC); Book d\$4.03.
Shares (2500T out): Avoid. Intangibles: Loss Res. \$15.40; Taxloss \$12.80. Assets: \$129M, 88% non- & low-earn; 64% foreclosed. Mix: 23% condos, 26% devel; 16% FL. Financing: \$97M debt over \$10M negative equity; Debt is \$77M bank term, \$10M subor., \$10M mtgs. Earnings: Mar. Q d1¢. (FY June, NON-QUAL)
- 2N-INDIANA MTG: Pr. \$5.13(OC); Book \$8.78.
Shares (1154T out): Hold for improvement, operating at approx. break-even ex reserve changes. Intangibles: Loss Res. \$2.91; Depr. \$2.56; Taxloss \$6.50. Assets: \$55M, 28% nonearn; 11% foreclosed. Mtgs: 50% land, 35% comcl. Prop: 30% offices, 41% apts., 7% land. Financing: \$43M debt is 4.2X \$10M equity; \$31½M credit to 10/79: \$18M at 8½% & \$13½M at 8% min., 10% max. Earnings: June Q 37¢ after 31¢ loss res. reversal. (FY June)
- 2N-INSTITUTIONAL IN: Pr. \$2.50(NY); Book \$2.98.
Shares (6074T out): Trading on restructuring. Bonds: Will offer \$1,050 of new 8½% sr. notes for old 7 7/8s; Needs 80% acceptance. Intangibles: Loss Res. \$1.28; Depr. 14¢; Taxloss \$6.71. Assets: \$88M, 62% non- & 21% low-earn; 61% foreclosed. Mix: 15% apts., 49% land; 18% Fla. Financing: \$63M debt is 3.5X \$18M equity; Signed \$33 bank credit to 1/79 plus extensions. Earnings: July Q 33¢ after 35¢ inter. forgiven. (FY Jan.; NON-QUAL TRUST; Self-adm.)
- 2 -INVESTORS RL: Pr. \$8.75(AS); Book \$10.92.
Shares (1579T out): Interesting long-term recovery buy at 20% below book. Intangibles: Loss Res. 58¢; Depr. \$2.80. Assets: \$34M, 18% nonearn. Mix: 54%

- apts., 15% shop. ctrs.; 86% property.
Financing: \$16M debt is 0.9X \$17M equity; \$1M bank debt, \$15M mtgs.
Earnings: May Q EPS 30¢ after 11¢ int. recovery; CFS 37¢. Sold major GA apt. 4/78. Other sales pending. Div: Sep. 15¢, up 2½¢. (FY Nov.; CAN END REIT; Self-adm.)
- 2 -JMB RLTY: Price \$16.50Un(OC); Book \$19.53.
Shares (510T out): Buy/hold for speculative yield. Intangibles: Depr. \$1.35. Assets: \$36M, no nonearn. Mix: 49% apts., 17% office, 17% shop. ctrs.; 67% wrap-around mtgs., 9% land leasebacks. Financing: \$25M debt is 2.5X \$10M equity; \$20M mtgs., \$5M bank debt. Earnings: May Q 77¢ after 13¢ sale gain. E FY'78 EPS \$1.80-85, div. \$1.80, extra possible. Div: 45¢, up 5¢. (FY Aug.)
- 2N-KENTUCKY PROP: Price \$3.13(OC); Book \$2.67.
Shares (1100T out): Situation improving; broker bought 9% of shares. Intangibles: Loss Res. \$2.27; Taxloss \$4.44. Assets: \$15M, 88% non- & low-earn; 80% foreclosed. Mix: 23% apts., 25% land & devel., 17% condo; 54% Ky. Financing: \$9½M debt is 3.2X \$3M equity; \$8M bank debt to 5/80 at 8%, 4% cash, balance deferred. Earnings: May Q \$1.05 after 69¢ swap gain & 44¢ loss res. credit. (FY Nov.; NON-QUAL TRUST; Self-adm.)
- 5N-LIFETIME COM: Price \$1.38(OC); Book \$2.67.
Shares (6632T out): High risk. Intangibles: Loss Res. \$7.97; Taxloss \$9.38. Assets: \$141M, 75% non- & low-earn; 59% foreclosed. Settlement: Ch. XI emergence 1/78: Banks get 65% of \$163M debt over 6 yrs. + 47% of stock; sub. debt gets 10% + 15% of par + 5.2% of stock. Financing: \$80M debt is 4.5X \$17.7M equity. Earnings: July Q 17¢ after 8¢ tax benefit & 9¢ gain. (FY Oct.; Corp.)
- 2N-LINCOLN: Price \$2.63(OC); Book 88¢.
Shares (1155T out) & Bonds: Spec. that new mgmt. can rebuild eroded book value. Intangibles: Loss Res. \$2.32; Depr. \$1.02; Taxloss \$3.56. Assets: \$21M, 78% non- & low-earn; 78% foreclosed. Mix: 70% apts. Financing: \$11M debt after \$6M bank repaid 7/78 is 10.3X \$1M equity. Earnings: June Q 18¢ after 12¢ gain. (FY Mar.; NON-QUAL TRUST; Self-adm.; Five large holders elected trustees in Oct.'78 + replaced old mgmt.)
- 1 -LOMAS & NET MTG: Pr. \$19.50(NY); Book \$27.80.
Shares (3700T out): Buy/hold, shares depressed 30% below book by rate fear but exposure low; see \$10-\$15M non-earning drop. Intangibles: Loss Res. \$3.28. Assets: \$261M, 17% nonearn; 18% foreclosed. Making new loans. Mix: 40% const. loans, 30% land acq. & devel.; 55% Texas. Financing: \$172M debt is 1.7X \$103M equity; \$100M credit to 5/83 permits \$50M more comcl. paper. All debt floats. Earnings: June Q 45¢. E FY'79 EPS & Div. \$1.90-2.00. Div: 45¢/qtr. 36% cap. ret. in '78 (FY June)
- 2 -M&T MTG: Price \$10.63(OC); Book \$10.27.
Shares (1428T out): Buy for stable yield, good relative value. Intangibles: Loss Res. 49¢. Assets: \$49M, 2% nonearn. & foreclosed. All mtgs. in Texas, most 1-family constr. & devel.; making new commitments. Financing: \$33M debt is 2.2X \$15M equity; All bank debt secured; sponsor provides compens. balances. Earnings: Aug. Q 31¢; E FY'79 EPS & div. \$1.10-12. Div: 30¢ + 5¢ extra. (FY Aug.)
- 2N-MARYLAND RL: Price \$4.00(OC); Book \$8.43.
Shares (760T out): Recovery spec. but small; Federated Reinsur. bought 11.8%. Intangibles: Loss Res. \$3.40; Taxloss \$4.70. Assets: \$20M, 32% non- & 8% low-earn; 40% foreclosed. Mix: All Ga. & Fla; 32% apts., 32% land. Financing: \$10.7M bank debt is 1.7X \$6.4M equity. Assets pledged. Earnings: May Q EPS 17¢ after 6¢ taxloss & 13¢ extra gain. (FY Nov.; NON-QUAL TRUST)
- 1 -MASSMUT M&R: Price \$14.88(NY); Book \$19.63.
Shares (4670T out): Buy/hold at 24% below book. Converts: Safe yield. Intangibles: Loss Res. 44¢. Assets: \$187M, 6% non- & 6% low-earn; 11% foreclosed. Mix: 37% shop. ctr. & retail, 33% apts.; 82% LT mtgs. New commitments. Financing: \$96M debt is 1.0X \$92M equity. Small interest rate exposure. \$70M convert. debts. Earnings: July Q 37¢. E FY'78 EPS \$1.45. Div: 34¢. (FY Oct.)
- 5N-METROPLEX: Price \$1.25(OC); Book d27¢.
Bonds & Shares (1184T out): Avoid. Filed Ch. XI 12/77; must solve complex litigation to emerge. Intangibles: Loss Res. \$9.51; Taxloss \$16.47. Assets: \$27M, 100% nonearn; 50% foreclosed. Mix: land & lots. Financing: \$15M debt over \$0.3M negative equity. Debt is \$4M banks + \$9.6M sub. debts. Earnings: Mar. Q d17¢. (FY Sept.; NON-QUAL TRUST)
- 2N-MIDLAND MTG: Price \$2.75(NY); Book 18¢.
Shares (2382T out): Spec. on developing/selling 2 large tracts. One broker bought 14.7% of shares. Bonds: Spec. yield. Offering exchange of new convertible. Intangibles: Loss Res. \$3.78; Taxloss \$9.26. Assets: \$35M, 70% non- & low-earn;

- 50% foreclosed. Mix: 11% motel, 17% condo, 48% land. Financing: \$26M debt is 58X \$0.4M net equity. Swaps repaid all bank debt 8/78. Earnings: June Q 18¢ after 80¢ swap gain. June FY d14¢ after \$2.98 swap gains. (FY June; CAN END REIT)
- 2- MILLER(HEN.S): Pr. \$13.75(OC); Book \$16.95. Shares (560T out): Buy for LT recovery; Operating trend up. Intangibles: Loss Res. \$1.74; Depr. \$3.17. Assets: \$25M, 10% non-earn & foreclosed. Mix: 60% shop. ctrs. owned, 18½% land; mostly Texas. Sold 2 offices, Kansas shop. ctr. & Tx. warehouse. Financing: \$16M debt is 1.7X \$9.5M equity. \$4M bank borrowings at ½% over prime; \$11.8M mtgs. on prop. Earnings: Aug. Q \$2.34 after \$2.13 extra. gains. Div: Oct. 25¢. (FY Feb.)
- 2N-MISSION: Price \$4.25(AS); Book \$4.88. Shares (1812T out): Trading/very long recovery; book value stabilizing. Merger offer spurned. Intangibles: Loss Res. \$2.45; Taxloss \$5.35. Assets: \$26M, 43% non- & 22% low-earn; 54% foreclosed. Mix: 40% land & devel., 22% resid. 39% commercial. Financing: \$13M bank debt is 1.5X \$9M equity. Bank debt at prime (max. 8½%) to 11/79; Cutting bank debt to \$7M by 10/31. Assets pledged. Earnings: Aug. Q d½¢. (FY Nov.; CAN END REIT; Self-adm.)
- 3 -MONEY MTG: Price \$9.25(NY); Book \$9.87. Shares (8935T out): Hold; 1% prime rise would cost 1½¢/sh. qtr. Converts: Safe yield. Intangibles: Loss Res. 10¢. Assets: \$234M, 8% non- & low-earn; 5% foreclosed. Mix: 29% office, 26% multi-fam., 32% shop. ctrs.; 38% LT mtgs. New commitments. Financing: \$155M debt is 1.8X \$88M equity. \$105M ST debt, most \$78M comcl. paper. Earnings: Aug. Q 17¢. E FY'79 EPS 72¢, div. 92¢. Div: 23¢/qtr. (FY May)
- 1 -MTG GROW: Price \$7.38(AS); Book \$10.64. Shares (2627T out): Spec. buy/hold for LT recovery and 8.7% yield. Intangibles: Loss Res. 46¢; Depr. 98¢. Assets: \$45M, 17% non- & 3% low-earn; 17% held for sale. Mix: 61% apts., 26% offices; 34% Calif. Financing: \$17.8M debt is 0.8X \$28M equity; Debt: \$7.7M converts held privately & \$10M mtgs. Earnings: Aug. Q EPS 13¢; May gross cash flow 20¢. Cash flow improving. E FY'78 EPS 45¢ & div. 60-2¢. Div: Aug. 16¢, up 1¢. (FY Nov.)
- 3N-MTG INV WASH: Price \$2.63(OC); Book \$4.33. Shares (2146T out): Trading, recovery potential. Bonds: Risky yield. Intan-
- gibles: Loss Res. \$2.25; Taxloss \$4.43. Assets: \$58M, 40% non- & 15% low-earn; 40% foreclosed. Mix: 21% apts., 15% shop. ctr.; 15% mobile home. Financing: \$45M debt is 4.9X \$9.3M equity. \$17M sr. bank debt at 112½% of ¼% over prime, to 12/15/79. Earnings: June Q 25¢ after 38¢ asset sale gain. (FY Mar.; NON-QUAL TRUST)
- 2N-MTG TR AM: Price \$7.50(NY); Book \$12.91. Shares (3860T out): Buy/hold for recovery at 42% below book. Intangibles: Loss Res. \$2.80; Taxloss NA. Assets: \$87M, 38% non- & 9% low-earn; 31% foreclosed. Mix: 24% land & devel., 17% condos, 19% apts.; 17% Calif. Financing: \$34M debt is 0.6X \$50M equity. \$20M bank debt at full-rate interest; new \$20M credit permits new investments. Earnings: Aug. Q 14¢. (FY Nov.)
- ↑ 4N-NATL MTG: Price \$1.13(OC); Book \$2.03. Shares (3707T out): Moderating risk that land holdings will be difficult to market. Intangibles: Loss Res. \$3.55; Taxloss \$2.51. Assets: \$36M, 81% non- & 11% low-earn; 65% foreclosed. Mix: 61% land, 16% comcl; 43% FL. Financing: \$12M debt is 1.6X \$7.5M equity; \$8.5M secured bank credit; Ch. XI settlement confirmed & deb. holders got cash, new notes & shares. Earnings: Aug. Q 3¢ on big revenue gains. (FY Feb.; NON-QUAL TRUST)
- 2 -NATIONWIDE: Pr. \$14.00(OC); Book \$24.36. Shares (1047T out): Two bidders offer pfd.: Buckeye Fed. S&L, \$19, & Old Stone \$18. Buy/hold for merger. Converts: High yield. Intangibles: Loss Res. \$1.22. Assets: \$34M, 44% non-earn; 32% foreclosed; Halted new loans. Mix: 25% medical, 14% condos, 11% land; 30% Ohio, 17% Ind. Financing: \$8M debt is 0.3X \$25½M equity; Bank debt down to \$2M. Earnings: June Q 26¢ after 16¢ inter. recovery. (FY Mar.)
- 2 -NEW PLAN: Price \$11.25(OC); Book \$4.24. Shares (1690T out): Splitting 3-for-2. Buy/hold for good quality yield and improving income. Intangibles: Depr. \$4.31. Assets: \$19M, no nonearn. Mix: 71% shop. ctrs. owned, 14% resid. Bought 110T sf NY shop. ctr. Financing: \$17M debt is 2.4X \$7M equity; Debt: 80% mtgs., 20% sub. debts. Earnings: Apr. Q EPS & CFS 27¢. E FY'79 EPS operations \$1.05-10. Div: 9¢ monthly, up 6%. (FY July. Self-adm.)
- 5N-NJB PRIME: Price \$2.50(OC); Book d\$6.60. Bonds & Shares (1330T out): Avoid, Ch. XI filed 9/78. Intangibles: Loss Res. \$17.89; Taxloss \$12.00. Assets: \$65M, 72% nonearn; 40% foreclosed. Mix: 43½% motor lodges/

restaurants, 27½% condos. Financing: \$48½M debt over \$9M negative equity. Filed Ch. XI plan Sept. 14 proposing: Exchange of \$20 cash for \$100 subor. deb. or \$15 + \$35 in new conv. deb., or \$15 + 20 sh. Earnings: May Q d52¢ after 24¢ loss prov. reversal. (FY Nov.; NON-QUAL: Self-adm.)

38% apts., 36% shop. ctrs. Financing: \$54M debt is 2.8X \$19½M equity. Debt: 90% mtgs. on prop. owned; borrows under \$6½M bank lines. Earnings: May Q EPS 37¢; CFS 50¢. \$630T gain from prop. sale in June. E FY'78 EPS over \$1.20 + gains. Div: 62½¢ semi-annually. (FY Aug.)

2N-NO. AMER: Price \$4.25(NY); Book \$8.45. Shares (4401T out): Recovery potential from large apt. holdings but progress slower than expected; about 43% discount from estimated \$7.50 hard book value. Bonds: Hold 8½s; 5½s won't be repaid 3/15/79. Intangibles: Loss Res. \$2.57; Taxloss NA. Assets: \$136M, 48% non- & 45% low-earn; 61% foreclosed. Mix: 50% apts., 10% land; 34% Fla. Financing: \$95M debt is 2.6X \$37M equity; \$33M demand bank notes. Earnings: June Q d38¢. (FY Dec.; Self-adm.)

5N-PLAZA RL: Price \$1.25(OC); Book 68¢. Shares (1114T out): Avoid or trade only. Intangibles: Loss Res. \$4.15; Taxloss \$7.54. Assets: \$30M, 72% nonearn & foreclosed; Mix: 44% apts., 15% land, 18% shop. ctr., 89% prop. owned. Financing: \$24M debt is 32X \$760T equity. Debt: \$16M mtgs.; \$9M credit at 1% cash or earnings to 1983 up to prime. \$1M repay default 6/78, ext. to 9/30. Nego. \$1.5M secured loan to repay bank. Earnings: June Q 12¢. No auditor's opinion '77. (FY Dec.; NON-QUAL TRUST: Self-adm.)

2N-NOWSTRN FIN: Price \$9.25(OC); Book \$14.29. Shares (1510T out): Recovery and/or liquidation speculation; Broker bought 13%. Seeking taxloss use. Intangibles: Loss Res. \$2.16; Taxloss \$3.64. Assets: \$33M, 44% nonearn; 26% foreclosed. Mix: 7% apts., 6% office, 7% land, 44% inter-long; 50% N. Caro. Financing: \$9M bank debt is 0.4X \$21½M equity; revolving bank debt at ½% over prime to 8/78. Nego. new. Earnings: June Q 4¢. Profit continuing in 1978. (FY Dec.; NON-QUAL TRUST)

1 -PNB MTG: Price \$10.88(NY); Book \$18.77. Shares (2437T out): Buy LT recovery at 42% below book value, small interest exposure. Intangibles: Loss Res. 55¢. Assets: \$114M, 11% non- & low-earn; 11% foreclosed. Mix: 32% LT mtgs., 18% prop. owned; 34% apts., 24% office & indust. Adding assets. Financing: \$72M debt is 1.6X \$46M equity; \$29M comcl. paper. Earnings: June Q EPS 23¢, CFS 27¢. Est. FY'78 EPS rising. Div: 20¢. (FY Sept.)

1 -NOWSTRN MUT: Price \$12.25(NY); Book \$18.97. Shares (4758T out): Buy, difficulties appear discounted. Converts: Safe. Intangibles: Loss Res. 71¢. Assets: \$235M, 8% non- & 6% low-earn; 14% foreclosed. Mix: 24% office, 26% shop. ctr., 9% land; 60% LT mtgs. Financing: \$215M debt is 1.4X \$90M equity. \$77½M open bank lines; \$20M comcl. paper. Earnings: Sept. 17¢. Div: 25¢. Being helped by cap. gains & est. \$1 rate payout. (FY Mar.; Major life co. adviser)

3 -PROP CAP: Price \$11.38(AS); Book \$13.68. Shares (2065T out): Buy/hold for yield & long term recovery; interest exposure minimal. Intangibles: Loss Res. 53¢. Assets: \$50M, 5% non-earn. Mix: 39% apts., 28% office, 21% shop. ctrs.; 63% lease-backs, 37% LT mtgs. Seeking new investments. Financing: \$22M debt is 0.8X \$28M equity; Bank lines paid down to \$7M at ¼% over prime. Earnings: July Q 30¢. Div: 30¢. E FY'79 EPS & div. \$1.20. (FY July)

1 -PACIFIC SO: Price \$8.00(OC); Book \$11.92. Shares (800T out): LT recovery or buyout candidate plus speculative yield; President bought 5½% of shares. Intangibles: Loss Res. \$3.01. Assets: \$11M, 27% nonearn & foreclosed; settled lawsuit over land. Mix: 68% comcl. loans, 27% foreclosed land & condo. Bought commercial prop. Financing: No debt over \$9½M equity. Earnings: June Q 15¢. Div: 15¢. Legal expenses ending. (FY Mar.; Self-adm.)

2 -PROP TR AM: Price \$5.13(OC); Book \$7.37. Shares (2338T out): Hold for recovery; Bought back 5% from Federated Dev. Intangibles: Depr. \$1.67. Assets: \$32M, 13% nonearn; 8% foreclosed. Mix: 15% mtgs; 77% investment prop; 33% apts., 26% office, 21% shop. ctrs.; 81% Texas. Financing: \$16M debt is 0.9X \$15.3M equity; \$15M mtgs. Earnings: June Q EPS 2¢; CFS 6¢. Div: 7¢. (FY Dec.; Self-adm.)

2 -PENN RE: Price \$15.50(AS); Book \$12.92. Shares (1516T out): Buy/hold long-term for yield and gains. Intangibles: Depr. \$13.57. Assets: \$72M, 0.3% nonearn. Mix:

2 -RL & MTG PAC: Price \$13.50(OC); Book \$18.03. Converts & Shares (1890T out): Hold, vulnerable to interest rates. Intangibles: Loss Res. 20¢. Assets: \$87M, E10% low-earn; E15% foreclosed. Mix: 64%

- mtgs: 26% hotel/motel, 18% office; 31% prop.; 47% Calif., 19% Hawaii. Financing: \$53M debt is 1.6X \$34M equity; \$40M credit to 11/82: \$20M comcl. paper backing & \$20M line to 9% max. Earnings: Aug. Q 29¢; Est. FY'78 EPS \$1.12-5, div. \$1.28 incl. not less than 20¢/sh. deprec. Div: 32¢/qtr. (FY Nov.)
- 3 -REIT AMER: Price \$15.75(AS); Book \$21.60. Shares (1633T out): Hold long term improvement of property yield. Intangibles: Depr. \$8.69. Assets: \$45M, prop. 9% vacant overall. Mix: 42% shop. ctrs., 24% office, 21% indust.; 45% Calif., 13% Mass. Financing: \$11.7M mtg. debt is 0.4X \$35M equity. Earnings: Aug. Q 28¢. E FY'78 EPS \$1.12-15, div. \$1.20. Div: 30¢/qtr. (FY Nov.; Self-adm.)
- 3 -RLTY INCOME: Price \$12.50(AS); Book \$9.43. Shares (1566T out): Hold LT for portfolio upgrading benefits, problem property being eliminated. European group bought 20% of shares. Converts: Yield. Intangibles: Loss Res. 77¢. Assets: \$69M, 35% non-& 15% low-earn; 44% foreclosed. Mix: 19% apts., 27% offices. Agreed to sell large Cal. tract at \$3.66/sh. gain if completed. Financing: \$58M debt is 3.9X \$15M equity; \$17M under \$23M bank lines at prime; \$20M term at 1½% over prime to '80. Earnings: July Q d32¢. Div: 35¢/qtr., paying cap. gains. (FY Apr., Self-Adm.)
- 3 -RLTY REFUND: Price \$15.38(NY); Book \$18.01. Shares (1309T out): Hold; EPS partly sensitive to prime. Bonds: Attractive for yield. Intangibles: No reserve. Assets: \$62M, no problems; Mix: 80% wraparound mtgs., 20% LT mtgs.; 43% apts., 21½% office, 19% industrial. Financing: \$38M debt is 1.6X \$24M equity; \$9M bank debt at 3/4% over prime to 5/79; Sold \$20M of 11 3/8% sr. debent. Earnings: July Q 47¢. Est. FY'79 EPS & div. \$1.90-5. Div: 47¢, down 8%. (FY Jan.)
- 3N-REPUBLIC MTG: Price \$2.63(NY); Book \$4.00. Shares (2107T out): Trading, speculation on recovery, still in red. Intangibles: Loss Res. \$5.11; Taxloss \$11.51. Assets: \$49M, 57% non-& 21% low-earn; 77% foreclosed. Mix: 28% land acq. & devel., 19% condos, 13% apts., 62% Fla. Financing: \$28M debt is 3.3X \$8.4M equity. \$25M bank credit to 12/78 at 3% cash or net cash income, plus contingent int. Earnings: June Q nil after 20¢ swap gain. (FY Dec.; NON-QUAL TRUST)
- Shares (783T out): Limited interest. Intangibles: Depr. \$5.01. Assets: \$22M, 2% nonearn & foreclosed. Financing: \$15M debt is 2.3X \$6.7M equity. \$9M mtgs. on prop. Earnings: June Q EPS 16¢; Mar. CFS 24¢. Div: Sept. 15¢, up 1¢. (FY Dec.)
- 2 -SAN FRAN RE: Price \$17.13(AS); Book \$19.91. Shares (1376T out): Buy/hold at 14% below book. Intangibles: Loss Res. \$1.63; Depr. \$4.52. Assets: \$65M, 7% non-earn & fore-Mix: 52% office, most bank occupied; 9% apts. Seeking new equity investments. Financing: \$36M debt is 1.3X \$27M equity; 93% mtgs. Earnings: June Q 25¢; CFS 33¢. E FY'78 EPS & div. \$1.20-30. Div: 30¢/qtr. (FY Dec.; Self-adm.)
- 3N-SAUL RE: Price \$6.75(NY); Book \$5.08. Shares (5859T out): Losses narrowing and cutting interest vulnerability. Bonds & converts: For yield. Intangibles: Loss Res. 58¢; Depr. \$3.23; Taxloss \$6.66. Assets: \$258M, 11% non-& 9% lowearn. Mix: 87% prop.; 39% shop. ctrs., 31% apts. Financing: \$225M debt is 7.6X \$38M equity; \$116M bank revolver at 125% of prime to 4/30/79; Mortgaged prop. for \$51M to pay down banks. Earnings: June Q d16¢ after 9¢ gain. Est. FY'79 EPS breakeven, no div. (FY Sep.; NON-QUAL TRUST; Wash. rlty. group advisor)
- 3N-SECURITY MTG: Price \$3.88(AS); Book \$5.88. Shares: (6487T out) Trading/recovery. Bonds: Moderately attractive. Intangibles: Loss Res. \$2.16; Taxloss \$2.80. Assets: \$130M, 27% non-earn; 21% foreclosed. Mix: 46% comcl. mtgs., 17% mtgs. on medical facil. Sold one-family 2nd mtgs. Financing: \$78M debt is 2.1X \$38M net equity; \$28M bank debt at 125% of prime to 3/30/79. Earnings: June Q d13¢ after 11¢ loss prov. Est. FY'78 EPS small loss, no div. (FY Sep.; CAN END REIT.)
- 3N-SO ATLANTIC: Price \$4.13(NY); Book \$2.93. Shares: (2706T out) Look very high after recent price run-up. Bonds: Inter. paid 8/78. Spec. yield. Intangibles: Loss Res. \$5.28; Taxloss \$8.72. Assets: \$120M, 67% non-& 20% low-earn, 83% foreclosed. Mix: 51% apts/condos, 27% land; 90% Fla. Financing: \$89M debt is 11.3X \$7.9M equity. \$69M bank credit accruing at prime rate; One bank sues for \$1M. Earnings: July Q 8¢ after 83¢ loss res. credit. (FY Oct.; NON-QUAL TRUST; Self-adm.)
- 3N-STATE MUT: Price \$4.88(NY); Book \$7.89. Shares: (2786T out) Interesting spec.
- NR-RIVIERE RL: Price \$6.00(OC); Book \$8.57.

- on further recovery at 38% below book.
Bonds: Hold. Intangibles: Loss Res. \$3.50; Taxloss E\$5.90. Assets: \$56M, 74% non- & low-earn; Mix: 14% hotels, 26% apts.; 24% land. Financing: \$27M debt is 1.2X \$22M equity; Sponsor bought \$50M assets reducing sr. debt to \$20M at 2% to 7/79. Earnings: June Q 6¢ after 3¢ tax benefit. (FY Mar., NON-QUAL TRUST; Major life co. adv.)
- 2N-SUMMIT PROP: Price \$4.00(OC); Book \$6.73.
Shares: (1543T out) Spec. attractive for asset realignment, re-leasing of vacancies. One vacant truck terminal re-leased. Talking merger with Investors Rlty. Intangibles: Loss Res. 60¢; Depr. \$5.85. Assets: \$48M, 6% non- & low-earn. Mix: 46% shop. ctrs., 13% apts., 14% truck terminals. Financing: \$34M debt is 3.3X \$10M equity. Earnings: July Q EPS d16¢ & CFS d4¢ after 10¢ cap. gain. FY'78 to be profitable. (FY Oct.; NON-QUAL TRUST: Self-adm.)
- 2 -SUTRO MTG: Price \$10.63(NY); Book \$15.43.
Shares: (2322T out) Buy for LT recovery at 31% below book value; Hedging rate risk. Converts: Safe yield. Intangibles: Loss Res. \$1.66. Assets: \$63M, 12% non- & 14% low-earn; 21% foreclosed. Mix: 32% office, 15% hotel/motel, 23% indust.; most CA. Financing: \$24½M debt is 0.7X \$36M equity; Debt is 85% converts, rest bank lines. Earnings: June Q 26¢ after 15¢ cap. gain. Funding new loans. Est. FY '79 EPS over \$1. Div: 22½¢. (FY Mar.)
- 1N-TEXAS FIRST: Price \$4.25(OC); Book \$8.00.
Shares: (1055T out) Spec. on recovery at 47% below book or favorable merger. East-over bought 12½% of stock. Intangibles: Loss Res. \$3.22; Taxloss E\$8.25. Assets: \$18M, 71% nonearn; 58% foreclosed. Mix: 37% land, 9% office, 11% one-fam. land. Financing: \$6M bank debt is 0.7X \$8.4M equity; Bank credit at 8% to 9/77; Swapping fast to pay banks; assets pledged. Earnings: June Q 5¢ after 5¢ swap gain; June FY 19¢ after 23¢ swaps. (FY June; NON-QUAL TRUST; Self-adm.)
- 2N-TIERCO: Price \$3.13(OC); Book \$6.49.
Shares (1170T out): Spec. at 52% below book on operating improvement & debt payment. Intangibles: Loss Res. \$2.99; Taxloss \$9.61. Assets: \$32M, 34% non- & 28% low-earn; 31% foreclosed. Mix: 38% apts., 22% land; Heavy Okla. & TX. Financing: \$21½M debt is 2.8X \$7½M equity; \$8M bank debt at 3½% min. inter. + accrual to 8½% or prime, to 6/80; Strong incentive to prepay. Earnings: June Q 57¢ after 70¢ swap & sale gains. (FY Dec.; NON-QUAL TRUST; Self-adm.)
- 4N-TRECO: Price \$1.38(OC); Book \$1.33.
Shares (2174T out): Some spec. interest on restructuring but future still clouded. Bonds: Inter. paid on old bonds. Old 8½s & new pfd. now convertible at \$1.62/sh. or 5.39M potential new shares. Intangibles: Loss Res. \$12.68; Taxloss \$25.25. Assets: \$118M, 94% non- & low-earn; 81% foreclosed. Mix: 23% condos, 26% apts., 22% land. Financing: \$81½M debt is 41X \$2M equity; \$65M six-year bank credit at 1% inter. + partial asset pledge. Earnings: June Q d6¢. (FY Mar.; NON-QUAL TRUST; Self-adm.)
- 3N-TRI-SOUTH: Price \$2.88(NY); Book \$1.85.
Shares (2260T out): Now high after recent run-up. Bonds: 53% took new 10% sr. convert; paid past due inter. on old bonds 9/22. Intangibles: Loss Res. \$14.38; Taxloss \$15.31. Assets: \$113M, 85% nonearn; 66% foreclosed. Mix: 36% land; 29% GA, 28% FL. Financing: \$74M debt is 17.7X \$4M equity; \$37M bank debt at 4% cash inter. or net cash income. Earnings: June Q d15¢ after 13¢ restruct. gain. (FY Dec.; NON-QUAL)
- 4N-UMET TR: Price \$2.00(NY); Book d\$3.46.
Shares (2109T out): Spec.; operating loss widening to dim outlook. Max. \$3.66/sh. inter. forgiveness possible in '79. Intangibles: Loss Res. \$8.85; Taxloss \$9.96; Depr. \$1.45. Assets: \$121M, 21% nonearn; 80% foreclosed. Mix: 21% condos, 22% apts; 18% shop. ctrs., 19% office. Financing: \$105M debt over \$7.3M negative equity; \$71M bank credit to 8/79 at 6% + contingent inter. Earnings: Aug. Q d72¢ after 8¢ sale gain & 13½¢ int. forgiven. (FY Nov.; NON-QUAL; Self-adm.)
- 1 -UNITED RL: Price \$9.88(AS); Book \$17.60.
Shares (3610T out): Buy at 44% below book for benefits from gradual problem loan solution. Intangibles: Loss Res. \$1.26. Assets: \$84M, 34% non- & 4% low-earn; 29% foreclosed. Mix: 18% GNMA's (pledged), 24% office, 20% apts. Financing: \$16M debt is 0.3X \$63½M equity; Pledged GNMA's to repay banks \$7M. Earnings: Aug. Q 21¢. Est. FY'78 EPS & div. 82-85¢. Div: 21¢/qtr., up 5%. (FY Nov.)
- 2 -US BANC TR: Price \$15.88(AS); Book \$17.00.
Shares (840T out): LT recovery, good equity base, positive cash flow. Problems down. Intangibles: Loss Res. 65¢; Taxloss \$5.24. Assets: \$46M, 8% nonearn; 4% foreclosed. Mix: 61% prop. owned or under construction, most indust., rest office. Financing: \$34M debt is 2.4X \$14M equity. \$29M bank credit to 2/18/79 at

- 120% prime. Earnings: Aug. Q 28¢;
CFS 44¢ after 7¢ loss res. credit. Div:
Resumed; 20¢ in Aug. Q. (FY May)
- 2N-US RLTY: Price \$6.63(NY); Book \$3.98.
Shares (3434T out): Buy/hold for long-
term recovery. In strong uptrend; re-
ducing mtgs. rec'ables & debt, increasing
properties. Converts: OK for risk in-
come. Intangibles: Loss Res. \$1.93;
Depr. \$9.60. Assets: \$88M, 17% non-
& 16% low-earn. Mix: 37% mtgs., 63%
owned & joint venture prop. Financing:
\$69M debt is 5.1X \$13.7M equity; \$16M
at 125% of prime paid at 5 3/4% cash
or cash flow. Earnings: June Q d5¢;
CFS 8¢. E FY'78 positive EPS.
(FY Dec.; NON-QUAL TRUST)
- 2 -VA REIT: Price \$11.75(OC); Book \$10.08.
Shares (1251T out): Hold/buy for long-
term. Intangibles: Loss Res. \$1.12;
Depr. \$3.84. Assets: \$36M, 17% fore-
closed & nonearn. Mix: 95% property.
Financing: \$24M debt is 1.9X \$12.6M
equity; all mtgs. on prop. Earnings:
June Q EPS d9¢ & CFS d4¢ after 20¢
prepayment penalty. (FY Dec.; Self-adm.)
- 2N-WACHOVIA RL: Price \$5.38(NY); Book p\$9.82.
Shares (3335T out): Spec. on LT recovery
& asset disposition; 45% below book.
Intangibles: Loss Res. \$3.59; Taxloss
\$4.02. Assets: \$104M, 38% non- & 30% low-
earn; 43% foreclosed. Mix: 12% apts.,
19% land & devel.; 20% comcl., 11%
hotel/motel. Financing: \$46M debt is
1.4X \$33M equity; \$46M bank debt to
7/79 at prime + contingent inter. at
125% of prime. Earnings: Aug. Q d10¢
after 4¢ loss res. credit. (FY Aug.;
Seeking NON-REIT power.)
- 3N-WALTER RL: Price \$5.25(OC); Book p\$7.47.
Shares (1035T out): Modest potential
after run-up; hold for recovery.
Intangibles: Loss Res. \$5.87; Taxloss
\$7.43. Assets: \$32M, 66% nonearn;
44% foreclosed; 20% property. Mix:
22% indust., 16% offices, 12% land;
47% FL. Financing: \$21M debt is 3.0X
\$7M equity. \$5M bank debt to 10/78 at
117% prime. Earnings: July Q 67¢
after \$1.05 sale gain; July FY d74¢.
(FY July; NON-QUAL TRUST)
- 2 -WASH REIT: Price \$24.50(AS); Book \$11.48.
Shares (1518T out): Buy/hold for income,
top quality assets, condo potential in
apts. Intangibles: Depr. \$6.30. Assets:
\$32M, no nonearn. Mix: All property,
98% in Wash., DC area; 54% hi-rise apts,
23% shop. ctrs., 23% distrib.-office.
Financing: \$14M debt is 0.8X \$17M e-
quity; Debt is \$12M mtgs. + \$2M bank.
Earnings: June Q EPS 47¢; Mar. CFS
38¢. Est. FY'78 EPS \$1.50-60, div.
\$1.80. Div: 45¢/qtr. (FY Dec.)
- 3 -WELLS FARGO: Price \$14.50(AS); Book \$17.48.
Shares (3919T out): Hold for recovery at
17% below book; small interest risk.
Intangibles: Loss Res. \$1.41; Depr. 97¢.
Assets: \$206M, 5% non- & 22% low-earn;
12% foreclosed. Mix: 40% apts, 13% one-
fam. & condo. Financing: \$127M debt is
1.9X \$68½M equity; Borrows under \$144M
open lines backing \$108M comcl.
paper rated A-2. New commitments.
Earnings: June Q 34¢ after 7¢
gain & 1¢ recovery of past due
interest. Div: 30¢/qtr. (FY June)
- 2N-WESTERN MTG: Pr. \$3.88(BO); Book \$7.77.
Shares (1003T out): Spec. buy for re-
covery & benefits of new property
holdings. Intangibles: Loss Res. 76¢.
Assets: \$19M, 13% non- & 7% low-earn;
12% foreclosed. Mix: 19% land acq. &
devel., 29% apts. Buying & building
new apts. Financing: \$11M debt is
1.4X \$7.8M equity; \$9M revolver at
½% over prime, plus \$2½M payable
over 2½ yrs. Earnings: May Q 2¢.
Est. FY'79 EPS positive. (FY Feb.)
- 2N-WESTPORT: Price \$2.63(OC); Book \$4.22.
Shares (2388T out): Speculative buy.
Converts: Possible tender. Intan-
gibles: Loss Res. \$6.00; Taxloss
\$7.16. Assets: \$80M, 48% non- & 16%
low-earn; 50% foreclosed: 16% oper-
ating & held for investment. Mix:
7% condos, 22% land, 12% apts., 19%
offices, 13% sports ctrs.
Financing: \$56M debt is 5.6X \$10M
equity. \$53M bank debt to 8/79 at
2½-5% or net income w/conting. int.
to 8%. Earnings: July Q d3¢.
(FY Oct.; NON-QUAL TRUST; Self-adm.)

REIT STATUS: All trusts listed except those noted qualify as real estate investment trusts and are exempt from Federal income taxes to extent they distribute 90% of income to shareholders. Qualified trusts may use taxloss carryforwards to shelter future profits and rebuild capital. Non-qualified trusts have no dividend distribution required and three stages in transition are shown: VOTING POWER TO END REIT STATUS when a proposal is pending before shareholders to give trustees discretion over whether to continue to qualify; CAN END REIT STATUS, when shareholders have given trustees power to end qualification; and NON-QUAL TRUST, when trustees have ended qualification and the entity operates as a business trust taxed as a corporation. Trustees of these entities generally have made no decision on whether to requalify and investors should not assume they will requalify and pay dividends even if profits are restored. The 1976 Tax Reform Act restricts requalification.